Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUCHAR 03797 261825Z

64
ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 L-03 CIAE-00 INR-11 NSAE-00

RSC-01 DRC-01 /053 W
---------- 062278
R 261111Z AUG 74
FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC 9876
INFO USDOC WASHDC

LIMITED OFFICIAL USE BUCHAREST 3797

USDOC FOR BEWT

EO 11652: N/A
TAGS: ETRD BGEN RO
SUBJECT: CUMMINS DIESEL ENGINE PROJECT

REFS: A) STATE 182328 B) STATE 177902

1. SUMMARY: IN SERIES OF SEPARATE MEETINGS, AMBASSADOR, DCM AND ECON OFFICER REVIEWED DETAILS OF REFTEL A WITH GOR OFFICIALS TO CLARIFY STATE OF PLAY AND TO GAUGE AGAIN LEVEL OF GOR INTEREST IN CUMMINS PROJECT. NEWS THAT CUMMINS CONSIDERS JOINT VENTURE A "DEAD ISSUE" WAS RECEIVED WITH RELATIVE EQUANIMITY BY MINISTRY BUT NOT BY PUNGAN, ALTHOUGH ROMANIANS AVOIDED DEALING PROJECT FINAL COUP DE GRACE. PUNGAN MAY TRY TO CALL HACKETT THIS WEEK. IN VIEW OF ROMANIAN ATTITUDE AND HACKETT'S VIEWS CONTAINED PARA 1 REFTEL A, WE FEEL SITUATION DOES NOT WARRANT EMBASSY EFFORT TO PRODUCE HIGH-LEVEL LETTER AND HAVE CONCENTRATED INSTEAD ON PUTTING ACROSS CUMMINS VIEWPOINT IN SIMPLE AND DIRECT TERMS, STRESSING UNFORTUNATE ASPECTS OF COLLAPSE OF CUMMINS NEGOTIATIONS. END SUMMARY.

2. WHEN CONTENTS OF REFTEL WERE CONVEYED MORNING AUGUST 22 TO DEPUTY MINISTER BUTOI BY ECON OFFICER, BUTOI GAVE NO INDICATION HE INTENDED TO MOVE QUICKLY TO REDRESS ANY MISUNDERSTANDINGS OR TO REOPEN NEGOTIATIONS PROMPTLY. BUTOI DID TACITLY ACCEPT FACT THAT BASS WAS IN ROMANIAN COURT BY SAYING THAT MINISTRY WOULD
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUCHAR 03797 261825Z

RESPOND TO THIS LATEST INFORMATION FROM CUMMINS EITHER BY LETTER

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

FROM A "HIGHER AUTHORITY" OR BY A TRIP TO UNITED STATES, INCLUDING A CALL ON CUMMINS, BY A MINISTRY OFFICIAL. IN SUBSEQUENT CONVERSATION IT BECAME CLEAR THAT BUTOI WAS REFERRING TO LETTER FROM MINISTER AVRAM AND TO POSSIBLE VISIT BY AVRAM TO U.S. IN SEPTEMBER OR OCTOBER, OR POSSIBLY EVEN LATER, FOLLOWING THE NOVEMBER PARTY CONGRESS. BUTOI'S COMMENTS THEREFORE CANNOT BE TAKEN TO INDICATE THAT ROMANIANS FEEL NEED TO ACT QUICKLY TO SALVAGE SITUATION.

3. CUMMINS PROJECT WAS ALSO RAISED BY AMBASSADOR AND DCM WITH PRESIDENTIAL COUNSELOR PUNGAN AT LUNCH AUGUST 22 AND PUNGAN PROMISED TO REVIEW SITUATION. PUNGAN, WHO WAS TO ARRIVE IN U.S. AUGUST 25 ON CONSULTATION TRIP, TOLD AMBASSADOR EVENING AUGUST 23 THAT HE HAD REVIEWED CUMMINS NEGOTIATIONS AND DID NOT RPT NOT AGREE WITH CONCLUSIONS REACHED BY MINISTRY CONCERNED. HE SAID SUBJECT TO DISCUSSIONS WITH AMBASSADOR BOGDAN AND ROMANIAN COMMERCIAL REPRESENTATIVE IN U.S. HE HOPED PROJECT MIGHT STILL BE SALVAGED BUT -- AND THIS IS NEW ELEMENT -- IT MIGHT NO LONGER BE WITH CUMMINS. (PUNGAN MAY HERE ONLY HAVE BEEN REFLECTING CUMMINS' OWN ATTITUDE.) IN LIGHT OF CUMMINS DISSILLUSIONMENT REPORTED REFTEL, AMBASSADOR SUGGESTED TO PUNGAN THAT HE MIGHT AT LEAST LIMIT DAMAGE SOMEWHAT BY CALLING HACKETT AND EXPRESSING REGRET THAT PROJECT HAD NOT WORKED OUT. PUNGAN SAID HE WOULD TRY TO DO THIS.

4. ACTION REQUESTED: SUGGEST HACKETT BE ALERTED TO POSSIBILITY OF PUNGAN PHONE CALL AND URGE HACKETT TO TALK TO PUNGAN, IF ONLY TO REINFORCE DIRECTLY TO PUNGAN SOME OF THE POINTS HE HAS MADE TO DEPARTMENT AND WHICH WE HAVE CONVEYED HERE. IN FOLLOWING UP ON STATUS OF NEGOTIATIONS AND IN OTHER TALKS, WE HAVE CONSTANTLY STRESSED NEED FOR ROMANIA TO PROVIDE TERMS AND OPPORTUNITIES FOR AMERICAN BUSINESS AT LEAST AS ATTRACTIVE AS THOSE AVAILABLE IN OTHER COUNTRIES, AND PARTICULARLY RELEVANT TO THIS CASE, NEED TO MAKE TIMELY DECISIONS. AS OFFICER OF MAJOR AMERICAN COMPANY WHICH HAS BEEN IN PROTRACTED NEGOTIATIONS WITH ROMANIAN INDUSTRY, HACKETT IS IN UNIQUE POSITION TO STATE THIS NEED MOST FORCEFULLY.
BARNES

LIMITED OFFICIAL USE

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, DIESEL ENGINES, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 26 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: martinml
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUCHAR03797
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740235-0980
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740819/aaaaapvg.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) STATE 182328 B) STATE 177902
Review Action: RELEASED, APPROVED
Review Authority: martinml
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUN 2002 by boyleja>; APPROVED <12 MAR 2003 by martinml>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CUMMINS DIESEL ENGINE PROJECT
TAGS: ETRD, BGEN, RO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005